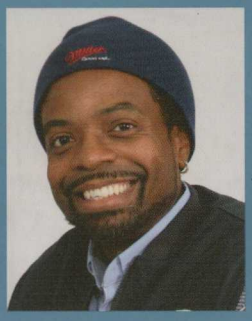

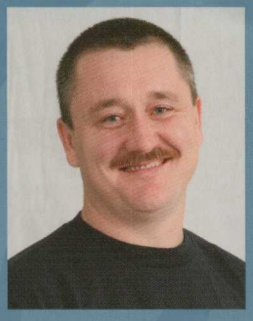

27TH CONVENTION

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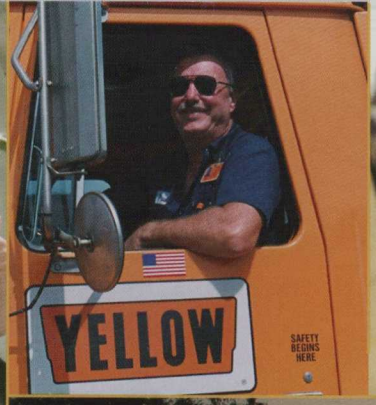
TEAMSTERS

MOVINGFORWARDTOGETHER

2006 Officer's Report

INTERNATIONAL BROTHERHOOD OF TEAMSTERS



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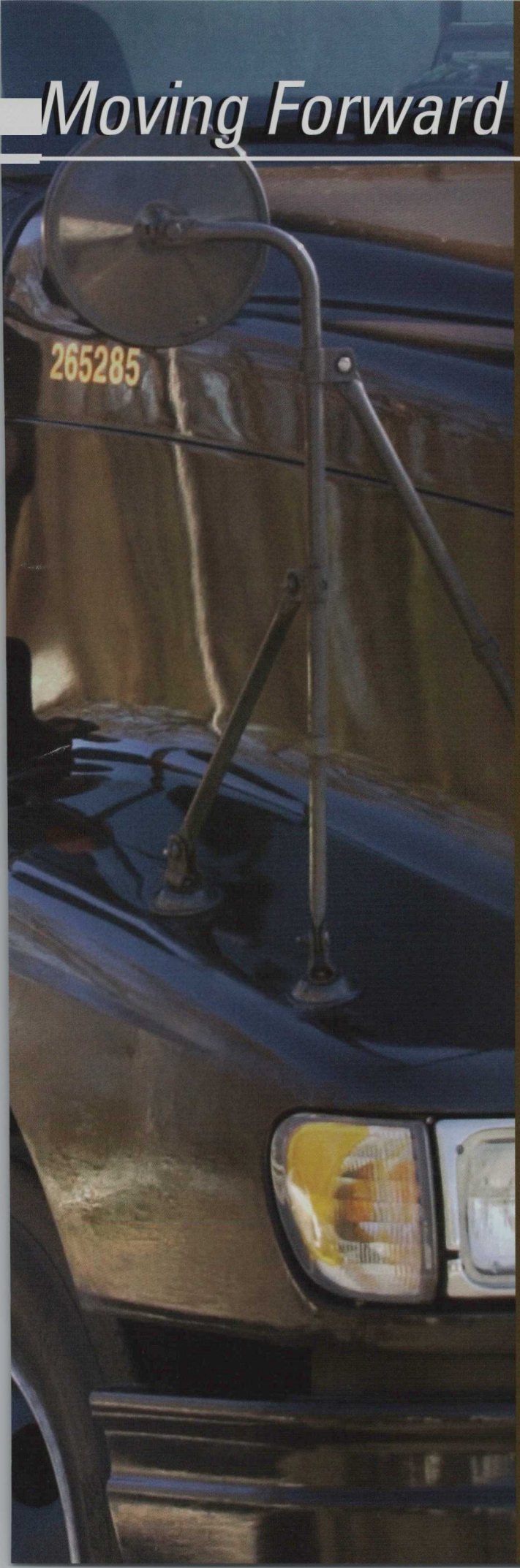
Moving Forward Together



A Union's purpose is to bring workers together to win a better life for them and their families. The Teamsters Union has a proud history of fighting for workers across North America for more than a century—and doing it better than any other Union in the world.

Today's Teamsters Union is stronger than ever. Not only have great strides been made since the International Convention in 2001, the Union has led the labor movement in setting the standard in bargaining, political action and organizing. More workers have been organized, better contracts have been negotiated and Teamsters members have been moving forward together in new and dynamic ways.

There is much to be proud of as we look back, but more importantly, there is much to accomplish in the years ahead. The Teamsters Union will move forward together and build the Union for future generations of working people.

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ROADWAY

Welcome to the Delegates
Moving Forward Together

Welcome to Las Vegas, and to the 27th International Convention of the International Brotherhood of Teamsters.

As Convention delegates, you have a major challenge ahead of you. The Constitution of the Teamsters Union states that you are the "supreme governing authority of the International Union." This means that you determine the future of our great Union for the next five years and lay the groundwork for the growth and power of the Teamsters Union in the 21st Century.

The task at hand is both an enormous responsibility and a great honor. Your fellow workers have entrusted you to represent the concerns of the 1.4 million Teamster members throughout North America. We are confident that you will represent them well.

Our country is going through a time of great change, not always for the better. In the last five years, working families have faced economic challenges and crises unseen in many decades. At the same time, the labor movement has been under attack from politicians representing corporate interests ahead of the needs of working families, employers that seek profit above all else, and a global economy relying on the exploitation of cheap labor that undermines good wages and benefits in North America.

Together, the Teamsters Union has made great strides in many areas in the last five years against great obstacles, and many of those efforts and achievements are detailed in this Officer's Report. We are constantly on the lookout for ways to improve the lives of working families, whether it means fighting union-busting employers or forging a new labor alliance.

There are still challenges to be met and, together, we will meet them. On behalf of the General Executive Board, we wish to thank you for joining us in this great effort of **Moving Forward Together.**

James P. Hoffa
General President

C. Thomas Keegel
General Secretary-Treasurer

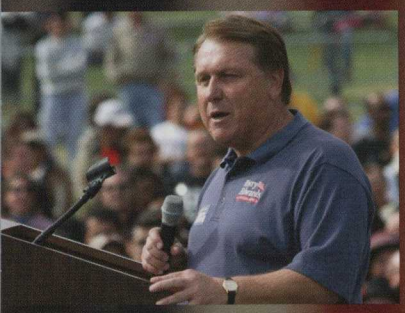
Report of the General President

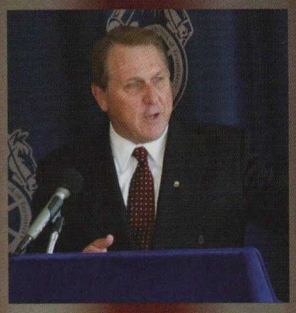
State of the Union

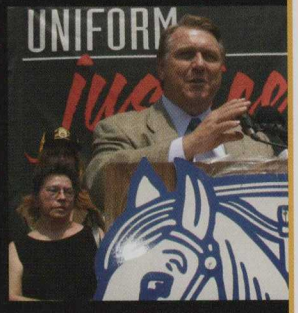
Your Union has changed in many dynamic ways since the 26th International Convention in 2001. Every part of the Union has met the challenge to improve bargaining and representation, organize the unorganized and influence the political process. We have strengthened the Union's foundation by putting our financial house in order, by establishing a real Strike and Defense Fund and dedicating resources for organizing new members. We also have attracted and welcomed three proud and strong International Unions into the Teamster family. The end result is more members, more power and more resources to win the battles we must fight today, tomorrow and in the years ahead.

Tom Keegel and I have devoted ourselves to rebuilding the Teamsters Union into North America's leading Union. And we have made significant progress through strategic planning and restructuring. The achievements that follow in this report were not accidental. It took thousands of Teamsters working together—officers, agents, stewards and rank-and-file members—to move our Union forward over the past five years.

Much has happened since our last Convention in 2001, both in our Union and across North America. Less than three months after the 26th International Convention, the tragic events of September 11, 2001 shocked our nation. This tragedy, combined with the anti-worker policies of the Bush Administration, threw the United States into an economic tailspin. Corporate greed was unparalleled. Outsourcing became the norm. The shipment of good middle-class jobs to Mexico, China, Vietnam and India accelerated. The impact of hurricanes Katrina and Rita on the Gulf Coast and the subsequent failures of the federal government to assistant working families during their greatest time of need have only reinforced our resolve to take back our country and fight for working families. Every community has been affected by the events of the past five years in one-way or another.

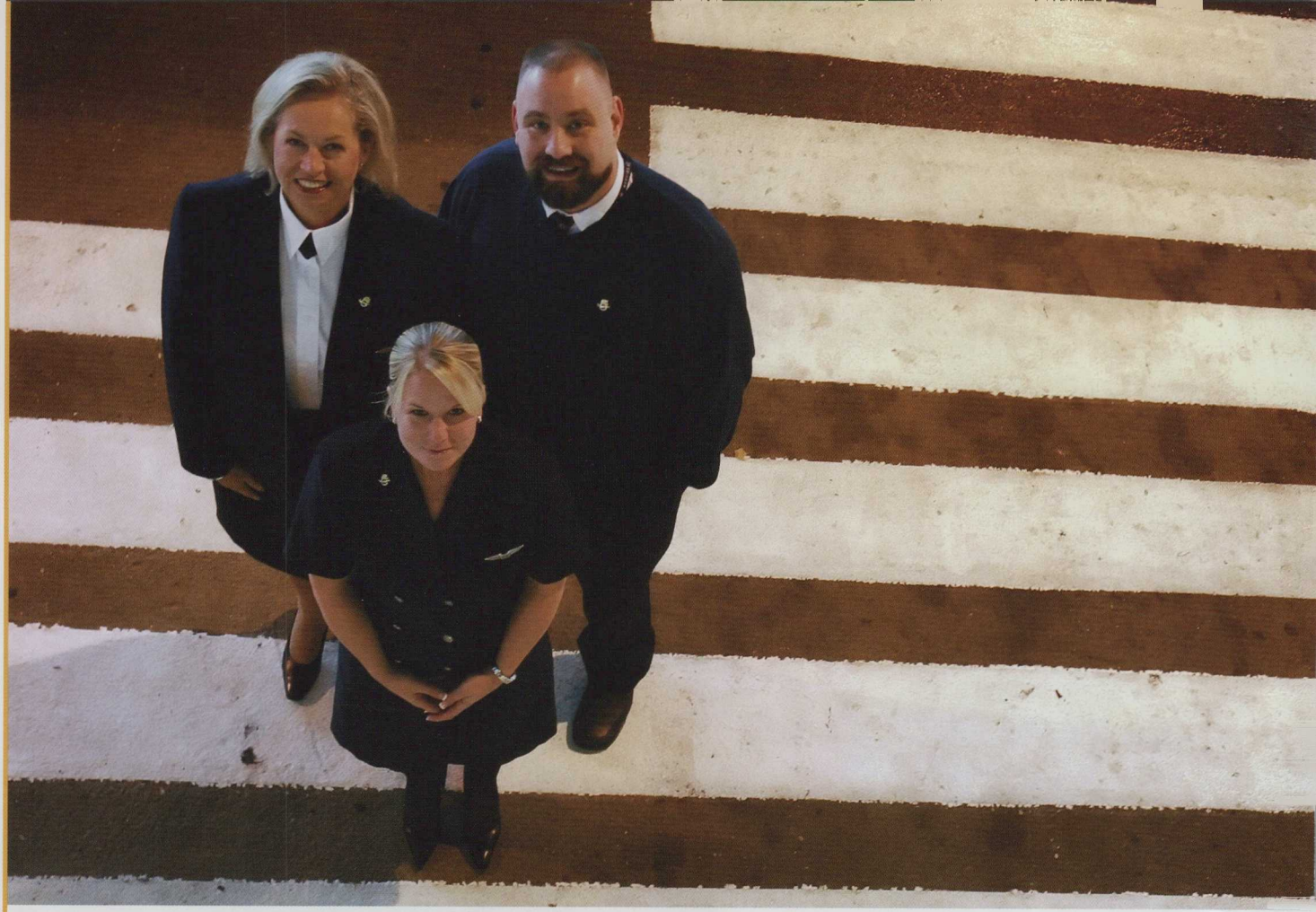






"The achievements that follow in this report were not accidental."

–JAMES P. HOFFA
General President



With so many different industries affected by the tragedies and economic policies of the last half-decade, it reminded all of us why it is so important to be a Teamster: Contracts that protect our members at work and a strong Union with good representation to back it up.

In order to better position the Union for the challenges of the future, the Teamsters Union was the leader in efforts to reform the AFL-CIO. We demanded a responsive, agile federation but were blocked at every turn. As a result, we joined with six other progressive and strong Unions to form the first new labor federation in fifty years, the Change to Win federation. By joining with the UFCW, UNITE HERE, the Laborers, SEIU, the Carpenters and the Farm Workers, we created a new alliance devoted to creating large-scale, coordinated campaigns to rebuild the American labor movement.

Our new federation joins Unions that are focused on organizing in industries with jobs that cannot be outsourced and providing the 50 million workers in those industries with the strength of a Union contract. And for the first time ever, it is a true federation. By joining together to organize on a large scale, supporting each other on the picket lines, at the bargaining table and at the ballot box, we will reverse the decline of organized labor and return power to workers. In just eight short months, the victories Change to Win has already won speak to the renewed cooperative effort of the member Unions.

The Teamsters Union isn't only backing workers up on the job, but also in the halls of Congress in Washington, D.C.

As organized labor is struggling against anti-worker politicians and corporations, the Teamsters Union stands out as a beacon of worker solidarity and strength. And though we have faced our share of challenges, we have regained our role as the leading Union in North America.

Rebuilding the Union

In five short years, we have rebuilt the Teamsters Union into a powerful voice for working families. This has been achieved through strategic planning, effective implementation and, most importantly, member mobilization. And we are doing it in every area of the Union.

The International Union works on behalf of members in numerous areas—safety and health,

contract research, media relations, steward and officer trainings, legal representation, corporate accountability and the list goes on. But there are three key responsibilities that rise above the rest: Organizing, Contracts and Politics. But growing the Union, negotiating strong contracts and increasing our political power is not an easy task.

When we took office on March 19, 1999, our Union was on the verge of bankruptcy and hopelessly divided. We faced employers bent on destroying our Union and others willing to spend large sums of money to keep workers from joining the Teamsters. We found good Union employers fighting for their survival in the face of government policies that rewarded companies sending jobs overseas. We've fought those who want to cut wages, health care and retirement benefits, or eliminate those benefits altogether. We engaged these challenges from day one. Within the pages of this Officer's Report, you will find a detailed analysis of how we have succeeded in spite of the challenges.

Other Unions have seen our success and are joining us as never before. In the past three years, the members of three historic and powerful International Unions voted to join our ranks: the Brotherhood of Locomotive Engineers, the Brotherhood of Maintenance of Way Employes and the Graphic Communications International Union. That's 130,000 new Teamsters reinforcing our existing ranks in the core rail transportation, printing and newspaper industries.

We are growing the Union. We are negotiating the best contracts in all of labor. We have a much stronger voice in the political arena. We have waged a relentless fight for democracy and integrity. We have restored the Union's financial strength.

Strong Strike Fund

Your Union is stronger today than it was five years ago. We still have many challenges before us, but together we will succeed. Together we will continue to build our Union so more workers have a voice on the job.

In 2002 the Hoffa administration convened the first-ever Special Convention to ensure the Teamsters Union would have the resources to grow and to organize new members. This meeting was not only revolutionary, it set the stage for later successes to come. By establishing a dedicated Strike and Defense Fund and designating funds for organizing activities, we made a commitment to grow the Teamsters Union, increase Teamster power and provide the support Teamsters deserve on the picket lines.

Moving Forward **Together**

Delegates to the Special Convention overwhelmingly approved a new funding structure that restored the Union's treasury while earmarking significant funds for strike and defense purposes and organizing efforts. The Union's strike fund had been bankrupted by the prior administration and employers knew workers couldn't stay on strike while earning a measly $55 a week benefit. By developing a real, strong Strike and Defense Fund, employers got the message—Don't Mess with the Teamsters. Instead of offering little or no support to our brothers and sisters on strike, the International Union now pays weekly out-of-work benefits of 10 times the hourly wage. And under the leadership of General Secretary-Treasurer C. Thomas Keegel, our Union's balance sheet is back where it should be—in the black.

Organizing to Grow

The Special Convention has borne fruit time and again with some of the most successful and innovative organizing campaigns the Teamsters Union has ever run. The Teamsters Union has always had a well-deserved reputation for strong representation and bargaining, but with the Union's new emphasis on rebuilding power and density for members in our core industries, more and more workers are seeking to join our great Union.

As more Locals and Joint Councils join the International Union in its commitment to organizing, there is no end to what we can accomplish as Teamsters. The Special Convention devoted the majority of new resources to Local Unions and Joint Councils to enhance and grow affiliate organizing.

The Union's "Organizing to Grow" program has made organizing the unorganized our top priority. Because more members make for a stronger Union and provide increased power during bargaining, every Teamster benefits when new members join the Union. And there have been many key victories since the 26th International Convention.

Power Through Organizing

During the past five years the Union has shown its commitment to growing and organizing at every opportunity. Whether by designating funds for organizing activities during the Special Convention, enhancing the scope and abilities of the Union's organizing department, or by establishing the Change to Win federation, organizing is at the very top of the Teamsters Union's agenda. We must continue to take advantage of our geographic, trade, ethnic and social diversity to grow. Increasing our Union's size—particularly in our core industries and sectors, and in key areas of the country—allows us to exert power at the bargaining table and in the workplace.

Over the past five years, your Union has committed more resources than ever before to growing the Union and organizing new members. And the expenditures of the International Union have been matched by aggressive Locals and Joint Councils across North America—from Los Angeles and Seattle to Toronto and Montreal, from Chicago to Miami, from Dallas to New York City. The Teamsters Union has established the foundation for a powerful organizing program. Coordinating throughout every level to take on global, national and regional employers, we are leveraging our resources to build the foundation for bolstering and rebuilding our membership.

Last year in the United States, we forged Change to Win, an organization driven by the understanding that we must organize strategically by marshalling the power of the federation's resources and 6 million members. Unlike the AFL-CIO, Change to Win is seven Unions moving in one direction – to organize. Together, we will win power for American workers. The Teamsters Union is currently engaged in joint campaigns with Change to Win Unions in the school bus industry, ports, at Cintas and in the gaming and food processing industries.

There is strength in numbers.

More Members Means Better Contracts

We have grown despite the obstacles placed in our path by those who would prefer we fail, namely the Bush administration and Republicans in Congress

who continually attack trade Unions and pursue economic and trade policies that eliminate good jobs and put profits over people. Nearly every Union in North America has experienced rapid and profound membership loss over the past five years. But not the Teamsters Union.

We have maintained our numbers despite the loss of good employers due to deregulation, corporations moving overseas and the wholesale attack on entire Teamster industries. By designating funds for organizing activities, we made a commitment to grow the Union and increase Teamster power.

The pace of growth and the diversity of those joining the Union is unprecedented. Our recent successes show that working men and women need the Teamsters Union now more than ever.

In every industry and in every part of the country, the Teamsters Union has made great strides in organizing. We have added thousands of members in core industries and expanded our reach in others—tens of thousands of workers across the country have added to the recent surge in membership. As more Locals and Joint Councils grow their organizing capacity, there is no end to what we can accomplish as Teamsters.

America West/US Airways CSRs and Mechanics

In the biggest private sector organizing victory in more than a decade, 3,200 customer service representatives (CSRs) at America West Airlines became Teamsters in 2004, joining the airline's Teamster mechanics.

When America West and US Airways merged last year, the Teamsters and the Communications Workers (CWA) reached an unprecedented alliance. The Teamsters and CWA agreed to a Joint Representation Agreement to represent more than 8,000 CSRs at the merged US Airways and in late 2005 the alliance secured significant wage increases and work protections for America West CSRs. Some Teamsters will receive wage increases of up to $5 per hour over the next 20 months.

| Moving Forward Together |

Fractional Airlines

A part of the airline industry where the Teamsters have been more active in the last five years is the fractional aircraft ownership sub-industry. Fractional-ownership airlines maintain and command a fleet of jets, flying some of the world's wealthiest and well-known individuals in sports, business and entertainment. More than 3,000 Teamsters work at the two largest fractional airlines, NetJets and Flight Options.

More than 2,400 NetJets pilots secured a monumental victory last November, winning a standard-setting contract that raises wages 40 to 60 percent, and improves working conditions and benefits to the level of the legacy carriers. Negotiated by Local 1108 in Columbus, Ohio and the Airline Division, the agreement secured a better future for pilots at NetJets, enabling pilots to view working at NetJets as a career option rather than a stepping-stone.

The contract has benefited more than 1,000 other workers. News of the agreement fueled the decision by 800 Flight Options' pilots to join Local 1108. The contract also reopened the NetJets flight attendants contract, enabling Local 284 in Columbus to negotiate for workplace improvements. NetJets mechanics are also negotiating their own new agreement. Teamsters at NetJets stand together in solidarity and continue to support one another in contract negotiations.

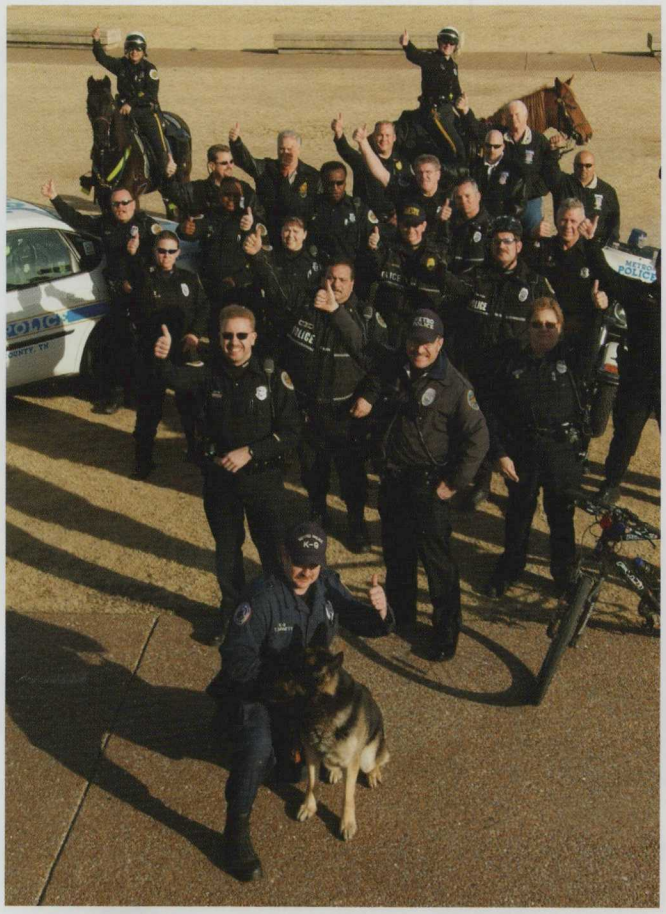
Victory at Diamond Walnut

One of the most important victories for the Teamsters Union came in 2004 in Stockton, California after a 13-year battle. Strikers and replacement workers at Diamond Walnut voted on October 15, 2004 to join Local 601. The workers had gone on strike 13 years earlier over substandard contract offers by the company. More than 700 workers were brought into the Union with the vote.

In the history of the labor movement, there are few strikes that have required as much dedication as this one. Some members at Diamond Walnut had worked there for 20 years before being forced out on strike by the company. All their efforts, however, led to the spectacular victory in October 2004.

More than 500 Local 601 members went on strike against Diamond Walnut, the world's largest walnut producer, for what some labor experts called the longest strike in U.S. history. The creative methods employed by the strikers, in conjunction with the Local and the International Union, included testifying before the U.S. Congress, non-violent protests, crossing the country on a bus and countless hours on the picket line.

In the end, the hard work, sacrifice and dedication of the Diamond Walnut Teamsters won over management's greed. The resolution had been a long time in coming, and it represents the power of a unified Teamsters Union.



Talking Trash

The Teamsters recently won elections at Allied Waste/BFI in Florida, Alabama, Georgia and California.

The Union has also won elections at Waste Management and Republic Services, two of the other large waste companies. The goal of the campaign is increasing Teamster density in targeted areas to improve workers' wages and benefits. More than 2,000 workers in the waste industry have been organized since 2004.

Illustrating the benefits of improved density, last December more than 450 Teamsters at seven Allied Waste/BFI units in Georgia, Alabama, and Florida nearly-unanimously ratified first contracts that feature pay raises, a more equitable wage structure, and increased job security

Law Enforcement and School

The Teamsters Law Enforcement League was formed in 2004 to help coordinate the organizing of law enforcement professionals. The league allows Local Union leaders to share their expertise and boost organizing efforts, resulting in many recent victories.

In Nashville, more than 1,200 officers on the Metro force voted resoundingly to become Teamsters. In February 2004, deputies and officers in the Volusia County (Florida) Sheriff's Department voted 281-47 to join Local 385 in Orlando.

In May 2003, nearly 900 workers in the Osceola County, Florida School District voted by a 2-1 margin to be represented by Local 385. The Osceola County victory is one of the largest Teamster organizing victories involving school workers.

In 2004, more than 1,000 workers at the Highline School District in suburban Seattle voted to join Local 763. The bargaining unit includes carpenters, bus drivers, electricians, maintenance employees, warehouse employees and other workers for the school district.

Warehouse and Rail

Big organizing victories continue in warehousing. In 2004, nearly 250 workers at TNT Logistics resoundingly voted to join Local 135 in Indianapolis. Also, Local 386 in Ceres, California secured a card-check agreement with Winco Foods for more than 200 workers. This was just one of the many such card-check agreements won in several industries.

Members of two proud rail Unions—the Brotherhood of Locomotive Engineers and Trainmen, and members of the Brotherhood of Maintenance of Way Employes—overwhelmingly voted to merge with the Teamsters. These rail members are the solid foundation of the Teamsters Rail Conference, which represents 70,000 workers, roughly 42 percent of Union members in the U.S. rail industry.

Since the merger, rail workers at Panhandle Northern, Maine, Montreal and Atlantic, South Kansas, New England Central, Portland and Western Chicago, Fort Wayne and Eastern, and Louisville and Illinois railroads have all voted to become Teamsters. The Conference has particularly targeted short-line rails and will continue focusing on organizing workers in this under-unionized sector of the rail industry.

Additionally, rail track welders at Ribbonweld in Wyoming and inter-modal workers at Pacific Rail Services in Memphis voted to become Teamsters. Along with new agreements at existing units at several railroads, workers at Nortrak and Utah Railway ratified their first BMWED and BLET contracts.

The Rail Conference has been an active participant in the newly formed Rail Labor Bargaining Coalition. This coalition is comprised of representatives from seven rail Unions for the purpose of bargaining as a collective unit with the National Carriers Conference Committee. The contract negotiations impact approximately 70,000 workers nationwide on freight railroads.

Rail Teamsters have also been active in lobbying Congress for increased funding and implementation of rail safety and security measures. In 2005 the Conference published the "High Alert" report, the first such report that detailed rail members' accounts of safety and security breaches they encounter on a daily basis.

After President Bush issued his "zero" budget for Amtrak in 2005, Rail Conference members lobbied Congress on several occasions and rallied in multiple cities to urge support of the Amtrak system. They were successful in having Congress allocate nearly $1.9 billion in funds to sustain the system. Amtrak is one of the passenger rail systems whose engineers and track maintenance workers are members of the Teamsters Rail Conference.

Getting Graphic

The Organizing Department and the Graphic Communications Conference have engaged in a significant campaign to organize nonunion workers at Quebecor World, the largest printer in the world.

Plants in Fernley, Nevada and in Versailles, Kentucky both voted to join the Union in 2005. In Versailles, 244 pressmen, assistants, roll tenders, stackers and pre-press workers overwhelmingly voted to join the Union by a 3-1 margin. In Fernley, 207 press room, pre-press, maintenance and materials workers voted to join.

These victories were a result of a neutrality agreement won by the Teamsters Union—an agreement the company is violating. We are still fighting for the rights of all Quebecor workers through leverage campaigns and shareholder actions.

Freight

The freight industry is radically different than when the first National Master Freight Agreement was negotiated more than 40 years ago. The industry has dramatically consolidated. For example, Yellow Freight acquired Roadway in 2004, and then Yellow/Roadway acquired the USF companies in 2005. These acquisitions created a less-than-truckload (LTL) giant combining three of the four largest union carriers into one company. We have used our strength, and will continue to use it, to organize the

nonunion segments of that company, including Bestway, USF Holland and USF Reddaway.

Lots' of Success

In the last five years, we created the National Parking Council, an organization of Local Unions that represent Teamster men and women employed in the parking industry and related fields.

Local Unions began meeting to discuss ways they could assist each other in organizing campaigns and in labor disputes. The council represents nearly 30,000 Teamsters in the parking industry. An estimated 60,000 workers remain unorganized, many working for large corporations. As these corporations are organized on a national scale, so must our Teamster Locals be similarly organized to offset their power.

One important early victory for the National Parking Council happened in 2002 when more than 3,700 members of Chicago's Local 727 ratified the Master Parking Industry Agreement. With the contract, they assured themselves solid wages and benefits.

Recently, Teamster parking workers in Pennsylvania went on an 18-week strike over health care costs. In late 2005, workers with the Pittsburgh Parking Authority and members of Local 926 fought against management's proposal for a significant rise in health care costs. The workers and their Union rallied outside the downtown headquarters of the Parking Authority and eventually got a one-year contract that the members overwhelmingly ratified.

Another recent victory occurred at the end of April 2006 when approximately 100 hotel shuttle drivers won recognition from Penauille Servisair at LAX Airport to be represented by Local 986 in South El Monte, California. The victory was a result of a neutrality agreement with card-check recognition that the union got from the company.

As victories in the parking industry stack up, the Union continues to fight for these workers in contract negotiations as well as on the strike line.

UPS Freight

UPS has renamed the recently purchased Overnite Transportation "UPS Freight," and the Teamsters Union has launched an effort to bring its nearly 15,000 employees into the Teamster family.

The Union recently sent materials to stewards for the Parcel and Small Package Division, Freight Division and Local Unions for a member mobilization and education drive to help educate UPS Freight workers on the benefits of Union membership. Local Union leaders and stewards are asking all UPS Teamsters and freight members to take an active role in the campaign, which is called "One Company, One Union."

In the coming months, UPS Freight workers can expect to see their fellow Teamster coworkers at UPS and Teamster freight members distributing "palm cards" with information about the campaign and discussing the benefits of a strong contract and a strong Union.

Moving Forward Together
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DHL

To date, approximately 2,500 DHL workers across the country have joined the Teamsters. Workers with both independent cartage contractors (ICC) and DHL gateways have joined. Workers at gateways in Miami, New York and Los Angeles joined the Union and recently ratified contracts, securing excellent wage increases, health insurance and other benefits.

More than 80 DHL ICC locations have been organized. A coordinated organizing effort has been used, utilizing a worker-based structure.

The organizers and bargainers continue to share information and coordinate the use of different leverage elements, including a legal strategy and global alliances.

Organizing and Bargaining

There have been countless other victories, both in our core industries and industries we have never organized before. Taken as a whole, they add power to our Union and to the American labor movement. While we are gratified by our victories, we are not satisfied. The Teamsters Union is known for its strong contracts—the envy of the American worker. But to win good contracts, we must increase our bargaining leverage.

We know from hard experience that bargaining and organizing are joined at the hip. To win wage and benefit gains, we need the power that comes from high union market share—the percentage of an industry that is organized in an industry. Market share comes from organizing. You cannot achieve a good contract unless you are strong. You cannot be strong unless you organize and increase your market share.

We are dedicated to expanding our organizing efforts at all levels of our Union. While organizing is increasingly important in an environment that is hostile to labor, the true measure of a Union's worth is in the value of the contracts it negotiates. Over the last five years, the Teamsters Union has negotiated some of the best agreements in the entire labor movement in spite of negative economic conditions.

UPS Contract Victory

In 2002, the Teamsters Union negotiated one of the richest contracts in labor history: The national UPS contract. The UPS contract bargained by the Teamsters was not only a huge victory for UPS workers and the Union, it was a victory for all of organized labor. It showed what kind of gains could be won—even during tough economic times. According to the Wall Street Journal's story on the contract, "It was clear the Teamsters got by far the richest contract ever from the company, even winning battles on issues that had gone nowhere in negotiations during the previous contracts."

UPS Teamsters will receive wage increases of $.90 and $1.00 on August 1, 2006 and August 1. 2007.

The contract campaign included rallies, petitions and an army of more than 200,000 dedicated UPS Teamsters who were willing to stand up to management. The Union also set up a $100 million line of credit leveraged against the newly created strike fund that told the company we could strike. In the end, the contract was approved by more than 72 percent of voting members. The agreement, worth $10 billion more than the previous contract, set the standard for collective bargaining agreements—and included large gains.

UPS Teamsters played a pivotal role in the contract campaign's success. Members answered contract surveys and responded to polls, giving the National Negotiating Committee guidance on what was important to the rank and file. The contract also included many first-ever gains, including retiree health insurance for all part-time workers and a first ever long-term disability plan for full-time employees. Also, the company agreed to recommend in right-to-work states that employees become and stay members of the Union.

Freight Victory

Another industry standard-setting contract negotiated by the Teamsters Union in the last five years was the National Master Freight Agreement (NMFA). In 2003, we tackled negotiations for the 65,000 members directly covered under the NMFA and 40,000 under white paper agreements. The campaign, called "Freight Unity," solidified member commitment and kept all lines of communication open between the Union and the members.

"The Hammer"

In 1994, the then Teamster leadership gave away key pieces of the National Master Freight Agreement. To show management we meant business this time, more than 95 percent of those covered by the NMFA voted for strike authorization. This proved unnecessary, however, when the companies involved in NMFA bargaining agreed to our demands and members overwhelmingly ratified the contract by 86 percent, the highest margin ever for the NMFA.

The total value of the NMFA was $1.7 billion, nearly twice the value of the contract negotiated in 1998. Key to the contract victory was the inclusion of a contract clause that restores "the Hammer," the Union's right to strike over deadlocked grievances. This basic right was given away in 1994.

The 2003-2008 NMFA included strong cost-of-living adjustment (COLA) language, which resulted in freight members in 2006 receiving a COLA of 10 cents per hour on top of the negotiated increase of 45 cents per hour. This is the first wage COLA payable to freight members covered by the NMFA since 1982.

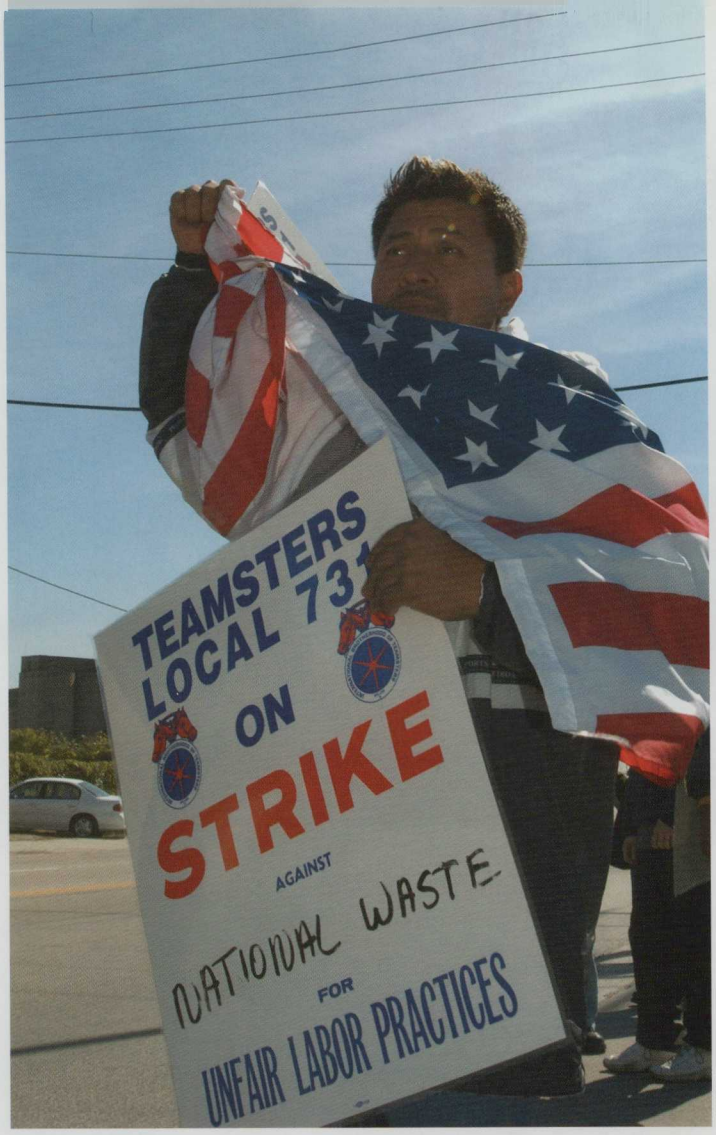
The NMFA provided a shot in the arm to all working families who had faced givebacks and concessions during difficult economic times, and laid the groundwork for the 2003 carhaul agreement.

Carhaul Power

The National Master Automobile Transporters Agreement was approved by 72 percent. The 2003 agreement increased wages and benefits by 13.4 percent over the term of the agreement and included many features and protections important to carhaulers. Cost-of-living adjustments were improved and protections were added to enhance the early retirement and prescription drug benefit for retirees that was won in the 1999 contract.

During the past year, the unionized car- and truck-haul industry has been in turmoil. The largest Teamster employer in the industry, Allied Holdings, and second largest, Performance Transportation Services (PTS), are currently in bankruptcy proceedings.

Combined, the two companies employ more than 5,700 Carhaul Teamsters. The Teamsters have assembled a team of legal, financial and industry



experts so the Union can fight on behalf of members and carefully monitor the Chapter 11 bankruptcy proceedings every step of the way. The Carhaul Division also is keeping members informed through the Teamster web site, newsletters and letters to members.

Costco and Anheuser-Busch Victories

By more than a 10-1 margin, Union members who work at Costco in four East Coast states ratified a new contract in April 2004 that increased wages and bonuses.

In addition to providing security to Costco Teamsters and retaining their position as the highest paid workers in the grocery industry, the ratification added three years to a one-year contract ratified the previous September, bringing the East Coast contract in line with a contract covering 12,000 Costco workers at 39 warehouses in California.

The East Coast contract affects 3,500 workers at 16 warehouses in New York, New Jersey, Maryland and Virginia.

In March 2003, Costco workers in four Eastern states voted by a 3-1 margin to retain representation by the Teamsters, a relationship that has made them the highest paid workers in the industry. The election resulted from an agreement between Costco and the Teamsters to settle hundreds of National Labor Relations Board (NLRB) charges and countercharges involving union representation.

The Teamsters Union represents approximately 7,500 workers at 12 Anheuser-Busch (A-B) breweries across the United States under one national master agreement. In March 2004, the members ratified a strong new contract—one of the richest in Teamster history. The $4 billion contract includes job protections and, most importantly, workers still do not have to pay health premiums or co-payments.

Important Strikes

Not all contract negotiations go as efficiently as the Union or its members want. In some cases, the employer makes it necessary for members to strike. In the last five years, the Teamsters Union has led thousands of members through strikes. But unlike past years, Teamsters could count on strike benefits from the International Union.

One of the most successful of these strikes took place in Chicago in 2003. Teamster waste and refuse haulers ratified a great contract after an eight-day strike. Locals 731 and 301 represent approximately 3,300 members who are employed at companies in the Chicagoland Refuse Haulers Association.

With the community strongly behind the striking workers, management soon realized the Teamsters had the upper hand. In the end, the Teamsters walked away with a contract guaranteeing no out-of-pocket costs for their health and welfare benefits for five years, extraordinary wage increases and improvements in language to protect against subcontracting.

In August 2004, Teamsters at the Coca-Cola Bottling Company in San Diego approved a contract after a 20-day strike over health benefits. The Local 683 members, who also made significant strides in

wage and benefit increases with their contract, got Coke to pay most health care costs with minimal co-pays by the members.

Not every strike is only about Teamsters. In late 2003, more than 70,000 United Food and Commercial Workers (UFCW) members went on strike at grocery stores in Southern California. The Teamsters were right there holding the line with the UFCW workers. The Teamster-UFCW united front built on the growing solidarity among all workers to combat the rise in health care costs that corporations are forcing on working men and women.

In an age when the corporate creed of "every man for himself" is dominant, the cooperation between our two Unions was truly historic. The Teamsters had no immediate stake in the struggle, yet 8,000 members still took a stand and the Teamsters Union provided millions in strike benefits as an act of solidarity with our brothers and sisters in the UFCW.

Most recently, Teamsters at Local 1150 in Stratford, Connecticut went on strike against Sikorsky Aircraft. Management was attempting to make workers pay a much bigger share of health care costs even though Sikorsky was raking in record profits. A contract was narrowly passed on April 2, 2006.

Each one of these strikes should make Teamsters proud of their brothers and sisters who have been or are currently on a strike line. Health care has become one of the major reasons for strikes during contract negotiations and the Teamsters will continue to fight for affordable health care for all Americans.

Politics

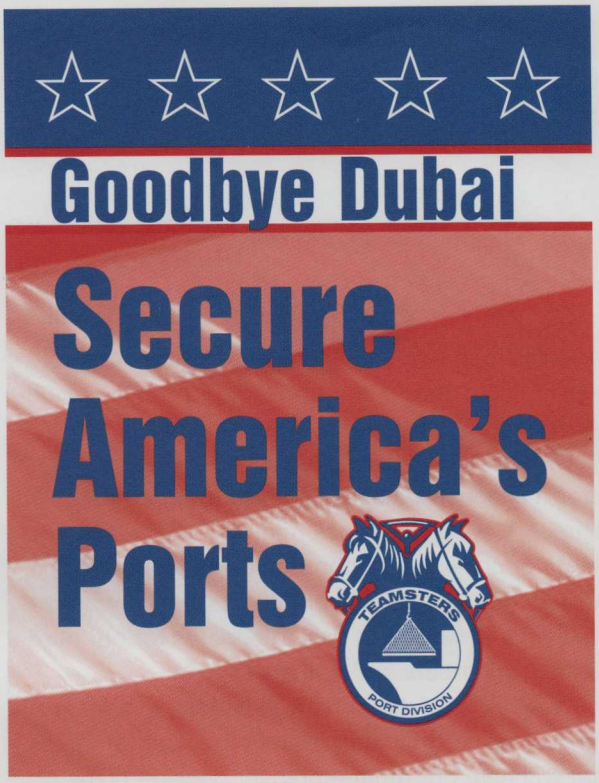
We have done an enviable job of holding our own while the labor movement has been battered by one assault after another, such as deregulation, so-called free trade agreements and the ever-widening wage gap between workers punching a clock and executives sitting in luxurious office suites.

For the indefinite future, our courts and legislatures will continue to be stacked against working families. In the political arena, labor Unions will continue to be outspent by business interests by large margins.

Despite these challenges, we have one thing that greedy business executives will never have—rank-and-file Teamsters. Our work in the field, whether during an election year or to address an issue before Congress, state legislatures or local governments, is driven by our members.

Recent Political Issues

Fighting for America's workers does not only entail organizing, contract negotiations and enforcement. Often the decisions made by politicians in Washington, D.C. or in the state capitols or city halls of our communities is what affects workers most. Since the last Convention, there has been



a renewed push to have the Union's voice heard in the nation's capital and beyond.

The Government Affairs Department closely follows legislative and regulatory issues that impact Teamster members and their families. There are many issues that the Union is working on to maintain and grow good jobs at home, protect workers at their jobsites and help provide our members with good wages and benefits. As Congress changes its focus and we identify other priorities affecting our members, we will modify our agenda accordingly.

First and foremost on the political front, the Teamsters Union is strongly committed to growing our membership and supporting legislation to accomplish that goal. We are working to:

- Reform outdated organizing laws tilted toward the employer;
- Require companies to offer affordable and adequate health care coverage to their employees;
- Help our immigrant workforce find a path to citizenship and freedom from threats and intimidation by employers; and to
- Address numerous other issues important to working families.

The Union has been especially busy on the political front lately. Most recently, our victory in the Dubai ports deal had nationwide ramifications. Thousands of Teamsters from across the country stood up to protest when the Bush administration tried to turn over America's ports to a Dubai-based company. When Teamsters stood together, our voice was heard and the foreign company backed out of the shady deal. Because our nation's ports remain a security nightmare, our job is not yet over and we continue to fight for more secure ports.

Trade agreements have been an ongoing battle for the Union. The Central American Free Trade Agreement (CAFTA) narrowly passed, but the Teamsters Union made sure to educate Congress and the American public what the ramifications of the bill would be: namely, further spreading the damage of its predecessor, the North American Free Trade Agreement (NAFTA).

In the weeks leading up to the vote, Teamster voices were heard in the battle. Through rallies and reaching out to their Senators and Representatives, Teamsters stood up and said, "Enough is enough." In 2003, a similar push was made against the Free Trade Area of the Americas (FTAA). Thousands of Teamsters showed up at rallies to tell Congress to stop trampling on labor rights and the environment.

2004 Election

The Teamsters Union truly flexed its political muscle with the 2004 election. While the Teamsters candidate, John Kerry, did not win, the Union is proud of the work thousands of rank-and-file Teamsters did in the campaign. Along with the entire American labor movement, we united in a historic effort to fight for the interests of working families.

We began the campaign in the fall of 2003 with our mobilization for Dick Gephardt and we never stopped working. We understood that at a time of war, the campaign to defeat President Bush was a tremendous challenge, but it was a challenge we could not avoid.

President Bush was reelected, but more than 55 million people cast their vote for a progressive agenda. November 2 was not the end of our fight to take back this country for working families. It was the beginning.

The election marked the largest member mobilization effort in the history of the Union. Hundreds

of Teamsters worked full-time on the campaign in the field. They distributed hundreds of thousands of leaflets and made tens of thousands of phone calls. They visited hundreds of work sites and held dozens of rallies. And the Teamster membership turned out in overwhelming numbers for Senator Kerry and our economic justice agenda.

Permanent Interests

The presidential election was not the only electoral fight the Union has been in since the last Convention. The Teamsters Union has established a reputation for strong political action. By taking our fight from the highest office in the country to city council seats and every office in between.

When we took office, I said that our Union has no permanent friends. We only have permanent interests. That oath is as valid today as ever and it set the stage for our political action since 1999. Many fights have been taken up. Plenty were won and some were lost. Other fights are ongoing, such as our support for pension reform.

The Teamsters Union supports legislation that protects the viability and security of our members' pension plans and we have worked on Capitol Hill for more than two years to ensure that members' pensions are secure and protected from the volatility of the stock market.

Unfortunately, Congress has advanced pension reform proposals that would hurt our members and retirees. We oppose those reforms. The Teamsters Union opposes legislation that contains provisions, such as the "red zone" benefit cuts, which would result in a reduction of vested benefits for our hard-working members and retirees.

We are hopeful that we will be able to advance pension protection legislation in the next Congress that will help our multi-employer pension plans address any potential funding shortfalls. We believe Congress and the President need to produce solutions that will make our members' pension benefits secure, not have them bear the burden of a crisis that was not of their making.

Rail Issues

One of the reasons our brothers and sisters in the rail Unions wanted to merge with the Teamsters Union was because of our political power. As such, there are several issues we have been working on that are specific to the rail industry.

The Teamsters Union supports measures that will strengthen rail safety and security, an area largely neglected by Congress since the September 11 terrorist attacks. Legislation dealing with railroad safety and security must address the use of remote control; strong whistle-blower protections for employees who report lax safety and security measures; infrastructure improvements; rules covering open switches on non-signaled track; the inadequate number of railroad police; access to passenger and freight yards; nuclear waste shipments; public access to equipment and train movements; train car integrity and adequate funding to ensure comprehensive rail safety and security.

Remote control locomotives are one of the bigger issues concerning our brothers and sisters in the rail Unions. The Union opposes the use of remote control locomotive operations without the issuance of comprehensive rules to ensure the safety of this technology. Remote control should not be used to move hazardous materials shipments. This practice, as it is currently implemented, puts the lives of our members and the general public in danger of potential catastrophic accidents.

Another important issue for our rail members is getting Amtrak full funding, which is essential to maintaining a viable rail passenger system. The annual practice of Congress appropriating Amtrak just enough money to get by does little for workers or the long-term viability of passenger rail. In addition, the budgets of the Federal Railroad Administration and the National Transportation Safety Board must be adequately funded to maintain proper oversight for safety initiatives, policies and programs that protect our nation's railroads. Adequate funding for the Railroad Retirement Board must also be maintained to allow the Board to carry out its functions and address the understaffing of its branch offices.

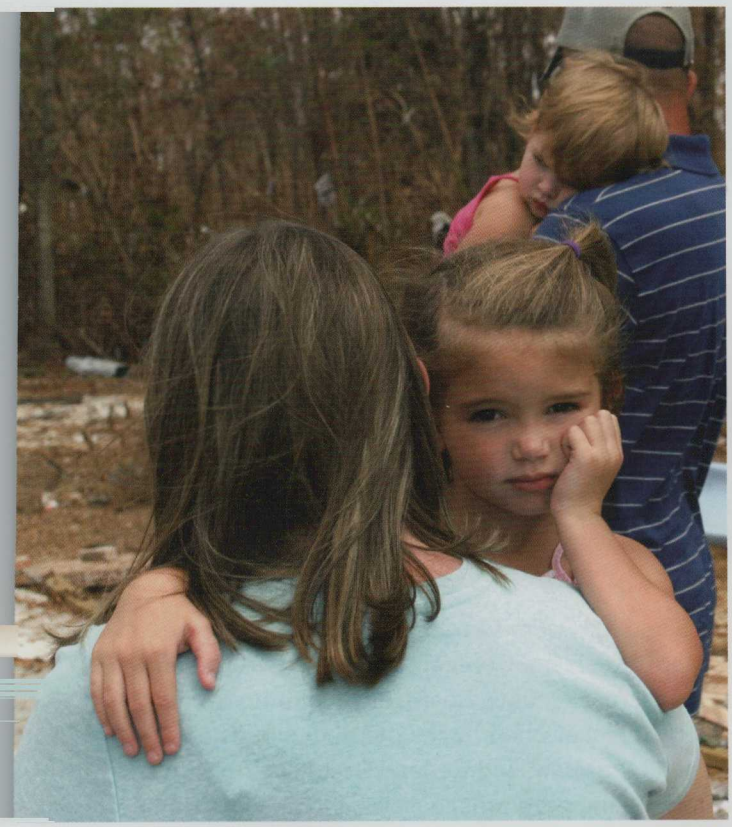
Cross-Border Trucking

One of the best examples of Teamster political power has been demonstrated over the last several years in the fight to keep unsafe Mexican trucks off the nation's highways.

The Teamsters Union is single-handedly responsible for this effort. A provision in NAFTA would have allowed freight haulers from Mexico - which are not held to the same safety standards as American trucks - on our nation's highways. Through constant lobbying efforts, rallies and countless other grassroots efforts, we have stopped these dangerous trucks from threatening America's drivers.

Teamster support of the Murray/Shelby bill was also an important step in keeping dangerous Mexican trucks off our roads. The bill included provisions for keeping the U.S. border closed to Mexican truck traffic until certain conditions could be met to ensure safety. The Murray/Shelby bill includes compromise language sponsored by Senator Patty Murray (D-WA) and Senator Richard Shelby (R-AL) that requires a number of safety requirements be met before Mexican trucks could travel beyond the currently permitted commercial zone.

Though President Bush has pushed to open the border, the inspector general at the Department of Transportation recently reported that Mexico has not raised its standards and that Mexican trucks remain a threat to U.S. safety and security.



Moving Forward **Together**

In 2005, the Union celebrated the life of John Cleveland by publishing a book about his life. Cleveland was the first black member of the IBT's General Executive Board. The book, "John H. Cleveland: A Teamster's Life," written by Joy M. Copeland, has been a resounding success with members.

Representing our Interests

There are those who will not rest in their efforts to marginalize the American labor movement and to take away all the gains the movement has made in the last century. The Teamsters Union will not let these efforts succeed and we are fighting back harder than ever.

Despite the predictions of our demise by the ideologues of corporate America, we are still standing and we are strong. As we embrace our past, we must set a course for the future that ensures generations of workers will enjoy the benefits of belonging to a united, proud and strong Teamsters Union.

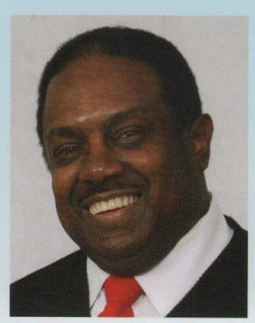
You, the delegates to the 27th International Convention, will determine what direction our Union will take in the coming years. Together, we will move forward by building on our successes and we will continue to represent the interests of our members and all working families.

Social Activism

In 2005, devastating hurricanes struck the Gulf Coast and were particularly destructive in Louisiana and Mississippi. The Teamsters Disaster Relief Fund helped thousands of members affected by the hurricanes. Whether helping out in the wake of 9/11, Hurricane Katrina, flooding on the Mississippi or a tornado, the Disaster Relief Fund has benefited thousands of members and their communities.

In November 1999, the General Executive Board created the James R. Hoffa Memorial Scholarship Fund. Since then, scholarships have eased the financial burden for hundreds of children and grandchildren of Teamster members and their families.

The Teamsters have also encouraged women in the Union to assume more leadership roles through the Teamsters Women's Conference. Since it started in 2002, attendance at the annual Women's Conference has doubled every year it has been held and is one of many ways the Union has become more all-inclusive in the last five years. We have always welcomed anyone to the Union but the increased visibility of certain caucuses has shown both members and prospective members that all are welcome into the Teamsters Union.



Structure of the International Union

As the world's most democratic labor organization, the Teamsters Union uses a structure that ensures policies and procedures accurately reflect the desires and priorities of the rank-and-file membership.

Executive Leadership

The highest governing body of the International Brotherhood of Teamsters is the International Convention, which is held every five years. Delegates to the Convention, who are elected by the membership, are empowered to amend the Constitution, enact resolutions and determine policy.

Day-to-day administration is conducted by the General President, General Secretary-Treasurer and the General Executive Board, all of whom are chosen by direct election by the membership. The General President and General Secretary-Treasurer, supervise the programs, policies and finances of the Union.

The General Executive Board is currently comprised of 22 regional and at-large International Vice Presidents and three International Trustees. The Board meets in executive session four times a year and acts as the highest governing body between conventions. The General Executive Board is elected directly by the 1.4 million Teamster members in the U.S. and Canada.

Local Authority

The Teamsters Union practices a highly decentralized approach to governance, with considerable power residing in the Local Unions. Both in spirit and by constitutional design, Local Unions enjoy autonomy to determine their own affairs. When a worker becomes a Teamster, he or she does so by becoming a member of a Local Union.

True to this decentralized structure, a majority of funds collected from membership dues are retained at the Local level to provide direct benefits to the members. Nonetheless, Local Unions and their members enjoy full access to the wealth of programs and services offered by the International Union.

Local Unions are governed by their own by-laws, consistent with the International Constitution.

Officers of Local Unions are directly elected by the members. Most Locals retain both professional and clerical staff, including business agents and organizers.

Joint Councils

In areas with three or more Local Unions, activities are coordinated with those of other affiliates through membership in Joint Councils. The Joint Councils, many of which employ attorneys, organizers and political action representatives of their own, also resolve jurisdictional questions and provide assistance to members.

State Conferences

Statewide and multi-state conferences provide services to Local Unions and Joint Councils. They are staffed to coordinate such activities as collective bargaining, organizing, political action and community services.

Trade Divisions and Conferences

In addition to meeting geographic requirements of a membership located throughout two vast nations and Puerto Rico, the International Union's structure reflects the many trades and industries of this diverse labor organization.

Trade Divisions and Conferences unify bargaining units spread throughout an industry or a single employer, thereby enhancing power and strategic resources in organizing and negotiating. In a sense, the Divisions and Conferences serve as central clearinghouses for trade- and industry-specific information, while providing assistance to Local Unions and members.

Current Trade Divisions include:

- Airline
- Automobile Transporters (Carhaul)
- Building Material and Construction Trade
- Food Processing
- Freight
- Industrial Trades
- Motion Picture and Theatrical
- Parcel and Small Package
- Port
- Public Employees
- Tankhaul
- Trade Show and Convention Centers
- Warehouse

Like Trade Divisions, Trade Conferences concentrate on issues affecting their respective industries. They convene to mobilize support for specific issue positions and provide a forum for members to discuss common problems and devise strategies.

Current trade conferences include:

- Bakery and Laundry
- Brewery and Soft Drink Workers
- Dairy
- Graphic Communications
- Newspaper, Magazine and Electronic Media Workers
- Rail

Programs and Services

Organizing

Organizing is the engine that drives the labor movement. That is why, in the Teamsters Union, every member is an organizer. Only by banding together can working men and women hope to pry their fair share out of management.

The Organizing Department is a vital resource for Locals and Joint Councils. It coordinates the organizing activities of Teamsters throughout the country. It can assist Local Unions, Joint Councils, Trade Divisions and Conferences establish organizing programs, support Local campaigns, develop budgets, recruit and train volunteers, and provide materials.

Following the 2002 Special Convention, 10 percent of per capita is designated for organizing activities.

The Organizing Department also helps to coordinate industry wide and company wide organizing efforts, participates in joint organizing campaigns with other Unions and assists in mergers and affiliations.

Every time a new bargaining unit is successfully organized, the collective might of the entire Union grows. Employers sit up and take notice when Teamsters arrive on the scene. They understand the power bargainers bring to the table when they are backed up by 1.4 million Union brothers and sisters.

Strategic Research and Campaigns

The new Strategic Research and Campaigns Department develops innovative strategies and campaigns to help win justice and better treatment for workers who want Teamster representation. Teamster campaigns are on the cutting edge of America's fight for workers rights.

Workers seeking to organize and our members seeking improvements at the bargaining table are faced with the most hostile political climate and employer attitude in decades, including the most anti-union, anti-worker White House since the 1920s. To address challenges, the Teamsters restructured to innovatively organize and protect workers. The Department of Strategic Research and Campaigns was created in October 2005 with the primary mandate to formulate strategies and implement tactics to advance industry-wide and company-wide campaigns in new member organizing.

The Department also leads campaigns to defend key bargaining agreements and win first contracts, often countering vicious and sophisticated anti-worker, anti-union campaigns from the management of national and multi-national companies.

The Department works primarily with the Organizing Department and relevant Trade Divisions and Conferences to neutralize corporate opposition to priority organizing, first contract and key contract campaigns. The Department deploys teams of researchers and campaigners who develop and implement strategies and tactics aimed at persuading key employers and leveraging positive results in core industries. Department researchers and campaigners are also available to respond to critical needs of Local Unions and Joint Councils.

The Teamsters ability to organize and bring power to the bargaining table increasingly depends on building alliances with workers throughout the world. The Department also coordinates the strategic relationships between the Teamsters and Unions around the globe.

Government Affairs

The voice of the Union is found in the resolve of the membership to be informed, involved and active in the legislative and political process. The Government Affairs Department works to ensure that voice is heard at all levels of government.

Just as united action by Teamsters can bring about better working conditions on the job, united action by Teamsters and their families can also shape national and state government policies that affect all Americans. The Government Affairs Department coordinates that activity by:

- Lobbying Congress;
- Testifying before congressional committees and federal agencies;
- Coordinating with the White House and Executive Branch departments;
- Working with Joint Councils and Locals to create strong advocacy programs;
- Activating Union members to meet or communicate with elected officials;
- Supporting efforts by Local Unions and Joint Councils to protect their interests in state capitols; and
- Building political power.

Legislative Affairs

The Government Affairs Department continues to follow numerous issues through Congress that significantly impact Teamster members. From passage of the highway bill (SAFETEA-LU) to the Central American Free Trade Agreement (CAFTA) to cross-border trucking, the Union is constantly fighting to protect members' jobs from unfair trade practices, secure their health and safety in the workplace and defend them against legislative attacks that would weaken or erode FLSA protections or jeopardize their retirement security.

Top issues that are likely to come before the Congress in the months ahead include immigration reform, the Andean and Columbia Free Trade Agreements, strengthening port, airline and rail security, and consideration of a budget that will include further cuts in domestic spending that affect the middle class.

Political Affairs

Teamster political action takes several forms: keeping Union members informed on issues that affect their lives and the way their members of Congress vote; electing friends and defeating those who oppose us by training and placing Teamsters in political campaigns; and by ensuring that every Teamster family is registered to vote and participates on Election Day.

DRIVE (Democratic, Republican, Independent Voter Education)

The Teamsters' political action committee, DRIVE, raises money through voluntary contributions from Teamster members and uses those funds to help elect candidates who are sensitive to the needs of working people and their families. It was created in the late 1950s by then General President James R. Hoffa, and for more than 40 years it has given Teamster members a political voice.

Contributions to DRIVE are the only funds the Union uses for contributions to federal candidates. The money raised through DRIVE also gives the Union the tools to educate members. The PAC publishes voting records and assigns field staff to instruct members on labor issues.

The Teamsters must not be tied to one particular party. The current balance of power on Capitol Hill further underlines the importance to support candidates who will help us regardless of their party affiliations. This strategy adds credibility to the Union and reflects the diversity of its membership.

Economics and Contracts

The Teamsters Economics and Contracts Department serves members, Locals, Joint Councils and International Union staff as a key source of financial, statistical and agreements information. With connections to the most powerful electronic databases available today, the Department provides information on the financial condition of companies and analyzes economic data and labor statistics.

The Department supports Teamster national master agreements and serves to strengthen collective bargaining and organizing power at the Local Union level.

At its foundation, the Department maintains the largest contract database of any Union in North America—more than 250,000 current and expired Teamster labor agreements. This library of contracts is of great value when comparing specific collective bargaining language, reviewing current settlements, and identifying new or unique contract provisions.

Communications

Strong communications will always be a vital tool in the struggle to represent working people.

Both activists and rank-and-file workers need concise, accurate information that supports organizing, political and collective bargaining efforts, and that briefs working families about developments that affect their workplaces, their communities and their lives.